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1. In carrying out the three- and five-anti's campaigns, the Communists were success-
ful in controlling the middle class and in eliminating its economic power. The
Communists collected vast sums through fines. Huge savings were effected by
careful spending of government funds.
2. However, the government sustained a loss in government enterprises. At the
conclusion of the campaigns the volume of business in government undertakings
for January - June 1952 was about 60 percent of that transacted during the
same period in 1951, and about 50 percent of the amount undertaken during the
period June - December 1951. Privately owned industrial enterprises were at
a deadlock. Proprietors held the view that they would operate only on what
they had on hand at the conclusion of the campaigns. No markets could be found
for products, and business was dull.
3. The Communist Party lost also the support of many government officials and
workers. At the conclusion of the campaigns, government workers in financial
and economic institutions were nervous, and unenthusiastic in their duties.
More than 300 party members of many years standing refused to accept any appoint-
ment for government service, and said that they preferred to leave the Party.
The advice to accept government assignments, offered by WANG Wei-kang (3769/
4850/4854), committee member of the Southwest Bureau, was not accepted. HSU
Ch'ing (1776/3237), manager of the government-owned department store Pai Huo
Kung Ssu (4102/6303/0361/0674) remarked, "You will be subject to less criticism

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if you work less." He was pessimistic about his future, and this attitude was common among all government workers.

4. Beginning in April 1952, the scale of supplies paid to party members was increased by more than 100 percent in an effort to win the good will of government workers. In July 1952 another 100 percent was added to their monthly incomes. No further restrictions were imposed on marriages among government workers, although marriages of party members were subject to the approval of higher authorities. The Communists were ready to accept new members from among those who worked in government enterprises, schools, etc.
5. To avoid further decline in the business of government enterprises, secret orders were issued that: in July 1952 the volume of sales in government stores should be 70-80 percent compared with December 1951; in August 1952 the volume should be 80-90 percent compared with that of December 1951; and from October 1952 the volume of business should be the same as that of December 1951. To promote trade, native products bazaars were held in cities and every effort was made to win the good will of government workers and their families.
6. Authorities held conferences with proprietors of privately owned enterprises, informing them that government authorities were ready to cooperate and afford them protection. Remissions of fines were allowed among those merchants who had been required to pay JMP 50,000,000,000 (sic) or less.

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